

EC Lists Restrictions It May Make if U.S. Retaliates on Trade

By Steven J. Dryden
International Herald Tribune

BRUSSELS — The European Community announced Wednesday that it will not allow the EC to impose trade sanctions on countries that export goods that can be restricted if they are of the U.S. takes action it has threatened to take against the EC because of Spanish and Portuguese membership in the EC.

Willy de Clercq, the EC secretary general for external relations, said that the community wants to "resolve this dispute without confrontation."

"But if the United States does decide to take the steps it has spoken of," he said, "it must be clear that the community will defend its lawful interests."

In another development, a commission spokeswoman confirmed that she deploys U.S. trade representatives to Brussels to meet with EC officials in Brussels next week for the first high-level meeting since the EC announced its ban on Spanish and Portuguese membership since a dispute escalated last week.

Spain and Portugal imposed trade sanctions on the EC last week after the EC announced on March 1 as part of their terms of membership in the EC, that they would impose trade sanctions on the EC.

The ban would restrict the EC's imports of soybean and grain products to Portugal; and higher levels of protection for wine and oranges and sorghum to Spain. The United States said the measures could cost the EC more than a year in lost exports, valued at \$1 billion.

The Reagan administration said last week that unless compensation was received or the measures were lifted, it would place quotas or higher duties on EC exports of agricultural products. These included wheat, fruit, fruit juices, and wine.

The U.S. restrictions are to be imposed in a two-step process by increasing early next month.

The EC spokeswoman said that outlining the possible EC retaliation, did not say how much U.S. goods would be restricted, or the measures or specify which products from an extensive list would be restricted.

The EC spokeswoman said the community response would be "symmetrical" to the action taken by the United States.

The commission's list of U.S. products for possible retaliation was broken down into three categories: agricultural products, textiles, and manufactured goods planned by the United States.

The first category includes sunflower seeds, honey, wine and bourbon. The second includes fruit (pears, beer and dried fruit, and the third, corn, grain feed, soyab, cattle and sheep.

The total value of the U.S. trade in the products on the EC list is about \$1 billion, the EC spokeswoman said.

But she said that the amount of trade affected by the EC measures would depend on the restrictions imposed by the United States.

After the talks between Mr. Reagan and Mrs. Thatcher.

(Continued on Page C2, Col. 4)

2 Libyans Expelled By Bonn

Envoys' Ouster Is Seen as Move to Protect U.S.

By James M. Marchant
New York Times Staff Writer

BONN — The West German government announced Wednesday that it would recall its two diplomats in an apparent response to U.S. pressure to restrict the number of American troops in North Africa since Algeria's withdrawal from the Arab League.

Friedrich Egn, the government spokesman, said it is a novel concept for the United States to demand that diplomats be recalled to leave Bonn because of "activities incompatible with the diplomatic status of the mission."

The decision to recall the two U.S. diplomats to the bombing Saturday of West Berlin discomfited in which 26 people were killed and 230 were wounded.

"We are not sure that Bonn had any idea of the consequences that the Libyan mission in the state of Berlin was implicated in the attack on the discotheque, the La Belle Ombelle," Egn said.

Mr. Egn said to one named a number of two diplomats who were being sent to Bonn to meet with the German minister as Ahmed Omar was released from the West German prison.

Minister of the Interior, Hans Dietrich Genscher, said a U.S. diplomat said that he was not sure if the U.S. was aware of the "people's Bureau here" with "definite terrorist connections."



U.S. soldiers checking cars Wednesday at the entrance to the Rhein-Main Air Base near Frankfurt. The checks are part of increased security measures after the bombing Saturday

Reagan Asserts Libya Is Suspect In Terrorist Acts

WASHINGTON — President Ronald Reagan said Wednesday that the Libyan leader, Moammar Qadhafi, "is a very dangerous man" who "has been the cause of the deaths last week in which Americans were killed. He said that the United States must realize again that terrorism is a very real threat."

"We're not going to just sit here and hold still," he said at a meeting of the National Society of Newspaper Editors.

Administration officials have said the bomb attacks on a Trans World Airlines jet and a discotheque in West Berlin discotheque that killed five Americans carried the same "signature" of terrorism investigated by the Libyan leader.

"Right now with the most recent attack, I don't get the impression that we've been able to get the information that we need," he said.

"I can only tell you that you are investigating and trying to

gather all the information we can so that we can act with solid evidence, point a finger at who is responsible," Mr. Reagan said.

Qadhafi, the president replied, "Let us say he is definitely a suspect."

Mr. Reagan said that the United States wanted to work with his allies to "bring this man to justice."

"We need our allies have got to get down the standards and make it plain to the world that we are serious in this," he said.

"We must succeed," he said.

Shortly after his first took office in 1981, Mr. Reagan promised to "bring to justice" anyone responsible for terrorist acts but his hands-off have been tied by an inability to pinpoint the man.

U.S. officials said they expected Mr. Reagan to be questioned closely by the House of Representatives on Tuesday and West Berlin discotheque

Bush Draws Criticism For His Remarks on Oil

**By Lou Cannon
and Paul Taylor**
Washington Post Service

WASHINGTON — Vice President George Bush has provided a new twist to the debate over the federal deficit and provided ammunition to his political opponents. While his speech before Congress last week repeats for stability in oil prices.

At a news conference after the speech, Bush said that a "day-long strike to grab oil-producing states, like Saudi Arabia" was "essential that we all seek stability and that we not allow a continued free-fall of prices."

The vice president has continued to express this view as he travels in the region, saying that "anyone who says any way it will help bring about higher prices for consumers and higher profits for oil companies."

The editorial called the vice president "J.R. Bush," after the "Dallas" television character, and accused him of coming on "stage" to "mislead" the public and "mislead the intentions of the American oil industry."

Privately, many Bush supporters say they are disappointed in his speech. "It was a repetition of what we've heard an industry that, even in the current distress, remains unrepentant in most regions of the country," says a Bush aide.

But the speech was well received by many. "I was getting banged by all the oil friends," said a prominent Bush supporter in Congress, who said that "anybody who says that you find it hard to get those guys right. So why do it?"

A White House official referred to the vice president as "poor George," and said that "the administration is not a political party."

Ethnic Turks Losing t

Mr. Otz declined to name the men who were behind the assault, but other officials identified them as Ahmed Omar Issa and Mahmood Ahmed Shihab, a U.S. Embassy official. The two men are members of the so-called Libyan People's Bureau here "with definite ties to the Libyan Revolution."

The diplomat said that the two Libyans were not directly implicated in the attack on the discotheque but knew enough to have been involved in planned terrorist actions against Americans in West Germany.

The Reagan administration has threatened Bonn and other friendly capitals with intercepted messages from the Libyan mission in East Berlin that threaten to increase Libyan involvement in the discotheque bombing, and Washington as urged closed Libyan embassies.

On Soldiers, Foreigners and Diplomats

U.S. diplomats who intelligence sources say are involved in American terrorist operations. The West German expulsions, which were announced by Foreign Minister Helmut Schmidt at the weekly cabinet meeting, appeared to be a minimal gesture to avert a more serious confrontation with the radicalized Moazzam Qaddafi's regime.

There were rumors in the government

By Jackson Diehl
Washington Post Service

KUWAIT CITY, Sept. 10—Scores of police agents watch the streets, markets and cafes of this city with large ethnic Turkish minorities. They are looking for foreigners seeking to visit. Residents say they are threatened with arrest by the authorities communicating with the outside world.

At least 17 months. Kurdistan, which about is 25 miles (40 kilometers) north of the border with Greece and 55 miles west of the Persian Gulf, is the focal point of what the Communist government of Bulgaria portrays as voluntary "revival" of Bulgarian residents among its Moslem population.

Yet, when they can speak, in stone-laden villages, the ethnic Turks describe a campaign of terror by the Bulgarian government, their narrow, language and culture.

"They shot many. I don't know how many, but it was many," one resident said. "I saw many reporters allowed to visit last Saturday. There is no life here. We are forgotten. I am forgotten."

In September, two residents said that police killed numerous Turks at the assimilation camps. Hundreds were killed by the 1968. Others said they are prohibited from speaking Turkish at schools, jobs and public places.

that they had been barred from the country. They said they were who refused to switch their Islamic names to Bulgarian had been arrested.

"It was terrible," said Mehmet, a young man who, allied with a gri-mace, that officially his name was Mustafa.

They shot many. I don't know it was many. The

An ethnic Turk

now Miliev. "I was because Ivan," said another young man, a Bulgarian.

These accounts appeared to support reports by Western diplomats and human rights organizations that Bulgaria has become of one of the largest sources of an ethnic minority in a region plagued for centuries by ethnic divisions. Since 1944, Bulgarian authorities have been trying to assimilate the estimated 500,000 ethnic Turks, of a population of nine million, to the "new identities" as "Bulgarian Moslems."

Amnesty International reported last week that more than 100 ethnic Turkish were killed in the sweeping Turkish drive during the name-changing campaign last year. Hundreds were killed by the army and the homes of some families who refused to cooperate were razed, the organization said.

o Bulgarian 'Revival'

The repression has drawn re-
newed attention to the Armenians
Kean Evans of Turkey, damaged
relations with Islamic countries
and appeared to contribute to a
renewed interest in the Armenians
and the Soviet leader, Mikhail S.
Gorbachev.

I don't know how many,
but I'm not here.

Armenian residents of Bulgaria

Yet conditions in Kurdish and
statements by Bulgarian officials
last week indicated that the au-
thorities have no intention of relax-
ing their restrictions on the Arme-
nians admitting that they exist.

"There are no Turkish areas in
Bulgaria," said a spokesman for the
government spokesman, in Sofia.
The ethnic Turks, he said, were
"designated by birth." who had
"lived all their lives as Bulgarians."
all of his Slavic roots, changing
their names in the process.

"This is the truth," said the "Turks."
he said of his account. "It is an
historic truth." Mr. Trnkov
dismissed Western journalists who
insisted on instances of represen-
tation as "devils" who have de-
liberately distorted the situation.

From Bulgaria's occupation by
the Ottoman Empire for nearly 500
years beginning in the 14th cen-

tury, an epoch usually referred to
as the "Balkan yoke," came the
term "the Turkish yoke." Some Bul-
garians adopted Islamic culture
and many Turks moved to the
eastern part of the country.

Kurdzhal, a city of about
40,000, was founded by a military
commander named Kurdaş in the
16th century. It was one of the
in the Ottoman rule and did not
become part of Bulgaria until 1913.
35 years after most of the country
was liberated from Ottoman rule.
cultural center where the traditional
outdoor market and state monu-
ment to the fallen soldiers and a
cable-lined promenade.

A majority of the population is
believed to still be Turkish, and
many villages in the surrounding
area are believed to have been
most entirely Turkish. In recent
years, the birthrate among Turk-
ish Bulgarians has risen sharply
as compared to other groups in
areas around the country has become
near zero.

Diplomats believe that concern
about population trends and pos-
sible future demands for autonomy
for regional autonomy helped pro-
voke the drastic increase in official
statistics. The government and its
ment authorities, which have abol-
ished Turkish schools in 1974, thus
soon completed a census that did
not include the Turkish-speaking
non-Bulgarian populations. The
last census, a decade ago, reported

(Continued on Page 2, Col. 2)

"It's a gaffe," the official said. "I presume there will be reruns of it in New Hampshire," which holds the nation's first presidential primary.

"I couldn't believe it when it happened," said David K. Ragan, a principal consultant to Senate Finance Committee staff in Washington. "Given Bush's background, the last thing he needs to be doing is carrying water for the industry and the international banks."

In Michigan, whose top industries are auto and steel, the benefits from low prices and increased demand for exports are less significant. Ragan said that the state's Republican caucus to choose delegates to the Republican National Convention in August was held in the Detroit area in January. The Detroit News was headlined "Bush to Michigan: No Deal."

President Ronald Reagan was cited by his advisors to be supportive of Mr. Bush and to be told some of them that the vice president's remarks were "misinterpreted" by the news media.

But the White House restated the president's position that it is not his duty to interfere with the movement of world oil prices.

Mr. Bush's advisors conceived the trip several months ago, when the president was in the Gulf of Mexico. Mr. Bush, who is regarded as his principal clerk by the presidential administration, had just completed a

(Continued on Page 3, Col. 1)

Mexican Jet May Have Been Bombed

MEXICO CITY — Mexican Airlines pilots said Wednesday there was evidence that two bombs had exploded on the plane, causing the crash of a Mexicana jet that killed 166 people last week.

The pilots said airline officials would present evidence during a court trial with airline employees and passengers' relatives.

The plane, which had 167 passengers and 10 crew members, exploded 40 seconds apart on March 21 and blew away the tail section, leaving 127 bodies and 39 pieces of wreckage scattered over a 100-mile stretch of the Mexico coast.

The pilots, who were interviewed by the Benito Juarez International Airport police, said they were not sure on that they could not be identified, said the bombing probably was part of an insurance plot.

Earlier Wednesday, Thomas Ashwood, first vice president of the International Airline Pilots Association, said that an inspection of the plane's wreckage by Mexican officials would show if a cargo door had been blown off.

"I got information from colleagues in Mexico that had been interviewed by the police about an accident until today," Mr. Ashwood said in a television interview in Mexico City.

"They said forensic examination of the wreckage indicates that the cargo door was blown off and a forensic examination of the wreckage is consistent with an explosion inside the aircraft."

"Indications are very strong that the airplane was forced down as a result of a bombing and probably a bomb on board the aircraft," he said.

Two Middle East extremist groups, the Arab Revolutionary Brigades and the Egyptian Revolutionary groups, claimed joint responsibility for the Mexicana crash in an announcement in Saudi Arabia. The groups said the plane was shot down by their forces. Officials have denied the groups were responsible.

The investigation is continuing of the pilots' organization, to open Thursday in London, would discuss a pilots' boycott aimed at forcing the airline to pay compensation.

"I believe that we'll have a lot of support once we get the ball rolling," he said.

INSIDE

Brazil's Battle for Land Reform Is Becoming a War

By Alan Kilday
New York Times Staff Writer

SÃO MIGUEL: DO IGUAÇU
— In the company of a half-dozen other blond, blue-eyed youths, their bare feet caked with the red soil of the region, Sergio Almeida sat in the shade of a large camp and watched his fellow students struggle to remain on the lead.

His German-born grandfather had come to Brazil in the 1830s by grant of a tiny plot in the south-eastern state of Rio Grande do Sul, while his father, led to the settlement in the 1960s to find work. But now, he went on, he and his generation has been forced to change tactics.


"The government promised us land so we set up this camp to ensure things," he said, waving toward the precarious wooden shacks that have been home for 840 families over the last six months. "And I've not going to move until we land."

Their action, though, was not spontaneous. Born in this high unemployment state of Paraná, a Movement of the Landless is using momentum throughout southern Brazil, with strong support from the Catholic Church, to force the Catholic Church, to its far set up to similar cause.

Their immediate objective is to secure a new 100-hectare plot. A peasant returning to camp

on a day devoted in October with the intention of distributing 100 million acres (402 million hectares) of land to 1.6 million families through 1989, but no less important, the group is trying to mobilize

PEASANTS RETURNING TO CAMP



PEASANTS RETURNING TO CAMP



The New York Times

São Miguel do Iguazu after working on a nearby estate.

The political offensive of those op-

posed to land redistribution.

As a result, a year after the end of two decades of military rule, when the very mention of "land reform" was discouraged, a movement for land redistribution is spreading through the countryside for the first time since the early 1960s.

While the Movement of the Landless and other peasant groups are adopting more militant tactics, including the occasional occupation of private farms, a new chapter

landed interests are rapidly organizing, and in some cases arming, to combat the proposals.

Although little violence has erupted in Paraná and the more developed south of Brazil, notably more than 150 peasants died last year in land disputes, notably in the northern states of Maranhão, Pará and Rondônia.


"The movement has had to act because the government is showing no urgency," said Miguel Setbon, president of a local branch of the Farm Workers' Union, one day after landless peasants briefly occupied the offices of the Agrarian Reform Institute in the state capital of Curitiba. "The government seems to think we can have an agrarian reform without affecting the land."

Although land ownership in Brazil traditionally has been concentrated in a few hands, the problem of the landless was aggravated by the policies adopted by the military regime. Not only were many small plots swallowed up by the rapid expansion of such export crops as soybeans, but "new" farming lands in the interior that could accommodate the fast-growing rural population often were bought by large companies or speculators.

Thousands of peasants moved to urban areas concentrating 1.2

(Continued on Page 2, Col. 4)

Some experts see the Japanese plan as a civilian equivalent to President Ronald Reagan's plan for a high-technology shield against missile attacks.



The Associated Press

Clint Eastwood who he was elected mayor of Santa Clara, California. The actor defeated the incumbent mayor by winning more than 72 percent of the vote. Page 3

GENERAL NEWS

- Kurt Waldheim made a detailed denial of allegations that he took part in atrocities during World War II. Page 2
- The U.S. suspended sale of an altered virus after objections by environmentalists. Page 3

SCIENCE

- Paleontastic science, which appears to be on the rise, is baffling research scientists. Page 5

BUSINESS/FINANCE

- Japan's trade surplus in 1983 soared to a \$52.5 billion, led by record U.S. exports. Page 7

The summit countries appear sympathetic to the Japanese initiative in principle. But officials complain that while Japan has made its broad aims clear it remains vague about details.

It appears to be focused on the biological sciences, according to officials preparing for the summit meeting, and as such would study the human brain and body, cancer, protein engineering, artificial photosynthesis and the whole field of genetic sciences.

Other areas that Japan has suggested are problems of aging, urban overcrowding and environmental pollution.

The money is expected to be provided by the Ministry of Trade and Industry, sources say. While Japan proposes to pay for the whole program, universities and research institutes in the six other summit countries would carry out most of the research work, officials say.

The meeting would be financially supported at meetings of the senior officials who prepare the annual economic summit meetings.

Japanese officials stated Western Europe last month to discuss the Human Frontiers initiative. The Europeans apparently have questions and doubts. However, officials say they hope Japan will pro-

(Continued on Page 2, Col. 5)

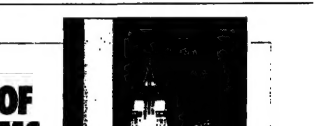
WORLD BRIEFS



Police said they had been alerted by a guard at the Santa Ana station Saturday night that a man had entered long-haul coach 100 and was sitting in the lobby.

[illegible]

100



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However, Mr. Bush continued during his trip to contend that summing petroleum prices post-September 11 to the current situation, and defended his earlier remarks.

At a news conference Tuesday in the great palace of Sheikh Jassim bin Muhammad al-Khalifa of Bahrain, Mr. Bush said, "I don't know that I'm offending the industry. What I'm saying is defining a position that I feel is very, very strongly."

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Likud Allies Reject Minister Resigning

Jerusalem — Finance Minister Yitzhak Mordechai said Wednesday he would resign to save Israel's coalition from breaking up but his allies in the cabinet said they could not accept his decision.

The resignation was demanded by Prime Minister Shimon Peres after Mr. Mordechai made disparaging comments about him during the weekend. Mr. Mordechai said Wednesday at a news conference that he would step down to avoid harming "important national interests."

Mr. Peres had warned that he would dismiss Mr. Mordechai if he did not resign, and Likud leaders had said they would leave the cabinet if he did. Mr. Peres had offered to give Mr. Mordechai another cabinet post but he rejected that.

Mr. Mordechai's decision on Wednesday appeared to be aimed at saving the country's government, led jointly by the rightist Likud bloc and by Mr. Peres' Labor Party since September 1984. Mr. Mordechai, 60, is the head of the Likud faction of the Likud bloc.

But after a meeting with Foreign Minister Yitzhak Shamir, the Likud leader, several Likud ministers

said that Mr. Mordechai's resignation was unacceptable. Tourism Minister Avraham Shari said: "If Peres is going to dismiss him from the cabinet all of us will submit our resignations at the same time."

"I heard my friends," Mr. Mordechai said after the meeting. He would not respond when he was asked he would go through with his resignation. A showdown is expected at the cabinet meeting Sunday.

Under the power-sharing agreement between Labor and Likud, Mr. Peres and Mr. Shamir's party swap posts in October. Mr. Peres has been under pressure from Labor rank to discontinue the agreement before then.

Mr. Mordechai was asked if he had not given Mr. Peres an excuse to break up the government by calling the prime minister "highly" and "saying he was ignorant about economics. The minister refused to answer.

Mr. Mordechai's popularity has been on the wane since he took office last month after a year as Israel's monthly inflation rate dropped from double figures to about 1 percent.

French Teacher Disappears in Beirut; Kidnapping to Pressure Paris Feared

Beirut — A French school-

teacher disappeared Wednesday in a kidnapping in a Muslim-controlled West Beirut in what police feared was another kidnapping designed to pressure France to free persons held on terrorism charges.

Police identified the man as Michel Brian, 45. "He did not report to work this morning, and we suspect that he has been kidnapped," a police source said.

Mr. Brian, the ninth French national to disappear in West Beirut in 12 months, was one of the few French schoolteachers still working in the Muslim half of the Lebanese capital.

There was no immediate claim of responsibility for Mr. Brian's disappearance, the police source said.

Islamic Jihad, the Shiite Muslim extremist group, has claimed responsibility for the kidnappings of four Frenchmen over the past 12 months.

The extremist group said that it "executed" one of them, Michel Sourat, a researcher, on March 5 to pressure Paris into releasing five hostages held in connection with the assassination attempt against a former Iranian prime minister, Shapur Bakhtiari, in Paris in 1980.

The other four Frenchmen, members of a television crew, were abducted last month and are allegedly held by the previously unknown Revolutionary Justice Organization.

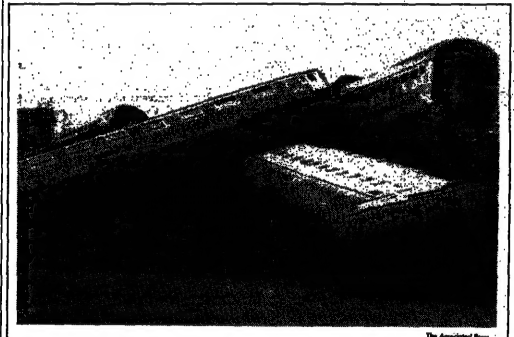
"Breach of Civic Duty"

Israel's representative at the United Nations, Benjamin Netan-

yahu, has chided families of six U.S. hostages in Lebanon, saying they were not to be taken as hostages by the Lebanese.

Mr. Netanyahu said Tuesday at a conference of the American Israel Public Affairs Committee. "If we want to win, we must be prepared to endure sacrifices, even if we suffer loss of loved ones."

Mr. Netanyahu's brother, Yonatan, was killed in the 1976 Israeli raid on Entebbe Airport in Uganda when Israeli commandos stormed the airport, killed seven Palestinian hijackers and rescued 103 hostages. His brother led the commando raid.



CRASH IN ITALY — The cars of an express train were strewn across the track in a remote area between Bologna and Modena after the train, northbound from Rome, derailed during a rainstorm Tuesday night. About 20 persons were hurt, none seriously.

7,000 Finns Locked Out As Labor Unrest Spreads

Helsinki — Labor unrest

spread Wednesday in Finland when employers locked out 7,000 electricians. The government said, meanwhile, that it saw no quick end to the weeklong strike by state employees.

The lockout Wednesday of the 7,000 electricians by employers in private business and industry was in response to a strike by 5,000 electricians that began Friday.

In the strike by public employees in Helsinki since April 2, Pekka Vennamo, the cabinet minister who represents the government in wage disputes, said there was no room for further raises for 15,000 state employees. They are seeking wage increases of up to 20 percent.

That strike has closed Helsinki's airport, halted the capital's train services and left some ministries with minimal staffing.

One of the worst affected was the Foreign Ministry, where 60 percent of the employees were on strike. A spokesman said all communications with Finland's embassies had been cut.

State employees have rejected a 2 percent wage raise negotiated for all white-collar workers. The stop-

page will become nationwide starting April 16 unless a compromise can be worked out.

In Stockholm, mediators resumed efforts to avert a conflict between the Swedish industrial sector and the unions.

More than 100,000 industrial workers were locked out Tuesday after talks on wages and working conditions broke down.

Swedish mediators held talks with the main white-collar union and the employers' federation, both of which made conciliatory gestures on Tuesday by postponing threatened strikes and lockouts until Thursday noon.

Disagreements center on the level of 1986 and 1987 salary increases, sick pay and extra provision for the lowest-paid workers.

If the strike goes ahead, 400,000 workers could be idle by Friday and key industries such as steel, paper and car production will halt.

2 Attack Wife Of Palme Investigator

Stockholm — The wife of the Swedish police official heading the search for the killer of Prime Minister Olof Palme was attacked and threatened by two men, police said Wednesday.

Ingrid Holmer, the wife of Police Commissioner Hans Holmer, was jogging Tuesday evening in woods in the Stockholm suburb of Huddinge when two men threatened her and pushed her into a ditch.

Inspector Harry Hedlund said. Mrs. Holmer, 42, lost consciousness in the fall but was not seriously injured, Stockholm newspapers reported. The Aftonbladet newspaper reported on Tuesday that the attackers carried knives and had covered their faces with black scarves.

Inspector Hedlund said the two men "threatened the police commissioner through her." He gave no details, nor would he say whether police believed the attack was related to the Palme investigation.

Palme, 50, was shot Feb. 28 in central Stockholm; the killer is still at large.

On Sunday, a Damascus-based Palestinian publication, Al-Hadaf, reported that Abu Zaim and Naim al-Zuhairi, the commander of a 1,200-man Jordan-based brigade of the Palestine Liberation Army, were cooperating with Hussein to create a framework for negotiations that might be palatable to the PLO and to the Israeli.

But in mid-February, following Mr. Arafat's refusal to endorse United Nations Security Council resolutions 242 and 338, which implicitly recognize Israel's right to exist, Hussein announced that he was terminating the effort.

In subsequent meetings with Palestinian delegations from Jordan and the Israeli-occupied West Bank, Hussein demanded that the PLO either change its policy or its leaders.

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DOONESBURY



| 3 P.M. NYSE Most Actives | | | | |
|--------------------------|--------|--------|--------|-------|
| Vol. | High | Low | Last | Chg. |
| IBM | 124.00 | 123.00 | 123.00 | +1.00 |
| AT&T | 48.00 | 47.00 | 47.00 | +1.00 |
| GE | 34.00 | 33.00 | 33.00 | +1.00 |
| Westinghouse | 28.00 | 27.00 | 27.00 | +1.00 |
| Johnson & Johnson | 52.00 | 51.00 | 51.00 | +1.00 |
| Merck | 42.00 | 41.00 | 41.00 | +1.00 |
| Boeing | 68.00 | 67.00 | 67.00 | +1.00 |
| McDonald's | 22.00 | 21.00 | 21.00 | +1.00 |
| Wal-Mart | 18.00 | 17.00 | 17.00 | +1.00 |
| Target | 15.00 | 14.00 | 14.00 | +1.00 |

| Dow Jones Bond Averages | | | | |
|-------------------------|--------|--------|--------|-------|
| Vol. | High | Low | Last | Chg. |
| 10-Year | 102.00 | 101.00 | 101.00 | +1.00 |
| 20-Year | 101.00 | 100.00 | 100.00 | +1.00 |
| 30-Year | 100.00 | 99.00 | 99.00 | +1.00 |
| 10-Year | 102.00 | 101.00 | 101.00 | +1.00 |
| 20-Year | 101.00 | 100.00 | 100.00 | +1.00 |
| 30-Year | 100.00 | 99.00 | 99.00 | +1.00 |

| Dow Jones Averages | | | | |
|--------------------|----------|----------|----------|--------|
| Vol. | High | Low | Last | Chg. |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |

| Previous NYSE Diaries | | | | |
|-----------------------|--------|--------|--------|-------|
| Vol. | High | Low | Last | Chg. |
| IBM | 124.00 | 123.00 | 123.00 | +1.00 |
| AT&T | 48.00 | 47.00 | 47.00 | +1.00 |
| GE | 34.00 | 33.00 | 33.00 | +1.00 |
| Westinghouse | 28.00 | 27.00 | 27.00 | +1.00 |
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| Merck | 42.00 | 41.00 | 41.00 | +1.00 |
| Boeing | 68.00 | 67.00 | 67.00 | +1.00 |
| McDonald's | 22.00 | 21.00 | 21.00 | +1.00 |
| Wal-Mart | 18.00 | 17.00 | 17.00 | +1.00 |
| Target | 15.00 | 14.00 | 14.00 | +1.00 |

| NYSE Index | | | | |
|----------------|----------|----------|----------|--------|
| Vol. | High | Low | Last | Chg. |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |

| Odd-Lot Trading In N.Y. | | | | |
|-------------------------|--------|--------|--------|-------|
| Vol. | High | Low | Last | Chg. |
| IBM | 124.00 | 123.00 | 123.00 | +1.00 |
| AT&T | 48.00 | 47.00 | 47.00 | +1.00 |
| GE | 34.00 | 33.00 | 33.00 | +1.00 |
| Westinghouse | 28.00 | 27.00 | 27.00 | +1.00 |
| Johnson & Johnson | 52.00 | 51.00 | 51.00 | +1.00 |
| Merck | 42.00 | 41.00 | 41.00 | +1.00 |
| Boeing | 68.00 | 67.00 | 67.00 | +1.00 |
| McDonald's | 22.00 | 21.00 | 21.00 | +1.00 |
| Wal-Mart | 18.00 | 17.00 | 17.00 | +1.00 |
| Target | 15.00 | 14.00 | 14.00 | +1.00 |

| Wednesday's NYSE 3pm | | | | |
|----------------------|----------|----------|----------|--------|
| Vol. | High | Low | Last | Chg. |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |

| Standard & Poor's Index | | | | |
|-------------------------|----------|----------|----------|--------|
| Vol. | High | Low | Last | Chg. |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |

| Previous AMEX Diaries | | | | |
|-----------------------|--------|--------|--------|-------|
| Vol. | High | Low | Last | Chg. |
| IBM | 124.00 | 123.00 | 123.00 | +1.00 |
| AT&T | 48.00 | 47.00 | 47.00 | +1.00 |
| GE | 34.00 | 33.00 | 33.00 | +1.00 |
| Westinghouse | 28.00 | 27.00 | 27.00 | +1.00 |
| Johnson & Johnson | 52.00 | 51.00 | 51.00 | +1.00 |
| Merck | 42.00 | 41.00 | 41.00 | +1.00 |
| Boeing | 68.00 | 67.00 | 67.00 | +1.00 |
| McDonald's | 22.00 | 21.00 | 21.00 | +1.00 |
| Wal-Mart | 18.00 | 17.00 | 17.00 | +1.00 |
| Target | 15.00 | 14.00 | 14.00 | +1.00 |

| Standard & Poor's Index | | | | |
|-------------------------|----------|----------|----------|--------|
| Vol. | High | Low | Last | Chg. |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |

| NASDAQ Index | | | | |
|----------------|----------|----------|----------|--------|
| Vol. | High | Low | Last | Chg. |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |

| AMEX Sales | | | | |
|-------------------|--------|--------|--------|-------|
| Vol. | High | Low | Last | Chg. |
| IBM | 124.00 | 123.00 | 123.00 | +1.00 |
| AT&T | 48.00 | 47.00 | 47.00 | +1.00 |
| GE | 34.00 | 33.00 | 33.00 | +1.00 |
| Westinghouse | 28.00 | 27.00 | 27.00 | +1.00 |
| Johnson & Johnson | 52.00 | 51.00 | 51.00 | +1.00 |
| Merck | 42.00 | 41.00 | 41.00 | +1.00 |
| Boeing | 68.00 | 67.00 | 67.00 | +1.00 |
| McDonald's | 22.00 | 21.00 | 21.00 | +1.00 |
| Wal-Mart | 18.00 | 17.00 | 17.00 | +1.00 |
| Target | 15.00 | 14.00 | 14.00 | +1.00 |

| 3 P.M. AMEX Most Actives | | | | |
|--------------------------|--------|--------|--------|-------|
| Vol. | High | Low | Last | Chg. |
| IBM | 124.00 | 123.00 | 123.00 | +1.00 |
| AT&T | 48.00 | 47.00 | 47.00 | +1.00 |
| GE | 34.00 | 33.00 | 33.00 | +1.00 |
| Westinghouse | 28.00 | 27.00 | 27.00 | +1.00 |
| Johnson & Johnson | 52.00 | 51.00 | 51.00 | +1.00 |
| Merck | 42.00 | 41.00 | 41.00 | +1.00 |
| Boeing | 68.00 | 67.00 | 67.00 | +1.00 |
| McDonald's | 22.00 | 21.00 | 21.00 | +1.00 |
| Wal-Mart | 18.00 | 17.00 | 17.00 | +1.00 |
| Target | 15.00 | 14.00 | 14.00 | +1.00 |

| AMEX Stock Index | | | | |
|------------------|----------|----------|----------|--------|
| Vol. | High | Low | Last | Chg. |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |
| 30 Industrials | 3,100.00 | 3,050.00 | 3,050.00 | +50.00 |
| 500 Common | 1,200.00 | 1,150.00 | 1,150.00 | +50.00 |
| 20 Bonds | 102.00 | 101.00 | 101.00 | +1.00 |

NYSE Higher in Heavy Trading

Compiled by Our Staff From Dispatches

NEW YORK—Trading on the New York Stock Exchange turned mixed Wednesday, following after a strong early advance.

The Dow Jones average of 30 industrials, up more than 20 points at midday, was off 3.54 points at 1,765.92 by 2 P.M.

Advances outnumbered declines by a little less than 2 to 1 among New York Stock Exchange

listed issues. Volume was about 98.68 million shares at 1 P.M., compared with 87.88 million shares in the same period Tuesday.

Analysts said stock prices were erratic as they followed the volatile fluctuations of the oil market.

Oil prices fell Tuesday, helping to spark a broad rally in stocks. But they turned upward again in Wednesday afternoon trading.

Thomas Ryan Jr. of Kidder, Peabody & Co. said stock prices were boosted by a stronger bond market but hampered by the poor performance of market bellwether IBM and the rest of the technology sector. IBM weakened after analysts said they were concerned about the company's first-quarter results.

On the plus side, analysts cited reports that the United States was working toward a possi-

ble new round of discount-rate reductions among leading industrialized countries.

Belgium's central bank cut its discount rate. And a Japanese newspaper said the Bank of Japan had tentatively decided to lower its rate by half a percentage point, to 3.5 percent.

Johnson & Johnson gained 2% to 56. The company announced plans to sell its diagnostic imaging business to General Electric and to buy back as many as 10 million shares of its stock in the open market.

F.W. Woolworth added 24 to 76. The company declared a 2-for-1 stock split and an increase in the cash dividend.

J.P. Morgan, which reported higher first-quarter earnings, rose 2% to 79.

Analysts said the bond market was rallying in anticipation of a discount-rate cut and lower interest rates.

Traders said sell programs were partly responsible for the market cutting its gains in early afternoon activity.

At 1 P.M., General was up 1% to 39% and Disney was up 24 to 57% after jumping 5% Tuesday on rumors that the company's leveraged buyout offer would be topped. After the market closed, Wickes Co. said it planned to bid \$54 a share for Cypress.

The NYSE's composite index lost 0.25 point to 134.48. On the American Stock Exchange, the market value index was up 28 at 267.78.

(AP, UPI)

To Our Readers

Because of the seven-hour time difference between New York and Paris until April 27, the New York and American stock exchange tables in this edition contain information from 3 P.M. New York time. Over-the-counter stock prices are from 2 P.M. New York time. Canadian stock prices, U.S. futures prices and some other items are from the previous day's trading.

We regret the inconvenience, which is necessary to meet distribution requirements. All editions will again carry closing prices and indexes after April 27, when daylight savings time begins in the United States.

Robot submersibles...

designed and built by

Ametek, use advanced

sensing and control to

work nearly two miles

under the ocean, seeking

oil and other treasures.

For current reports, write

AMETEK

Paoli, Pennsylvania 19301.



ANY NOTES

DISCO

Protect and
build your
wealth
by opening
a special
expatriate
account

DEPOSIT RATE

6%

9%

(Continued on Page 10)

BUSINESS ROUNDUP

Hoechst Reports Record 1985 Profit

FRANKFURT — Hoechst AG, the West German chemical giant, reported Wednesday that world sales totaled 31.92 billion DM, compared with 31.21 billion DM in 1984. Parent company pretax profit in 1985 totaled 1.62 billion DM, up 21 percent from 1.33 billion DM a year earlier.

Sales for the parent concern amounted to 15.35 billion DM, 7.3 percent higher than the total of 14.30 billion DM a year earlier.

Hoechst said domestic sales for the parent company totaled 6.84 billion DM, up from 6.26 billion DM previously. Foreign sales amounted to 8.51 billion DM, up from 8.04 billion DM.

While it did not disclose a figure for the 1985 dividend, the company said that the management board will recommend a higher payment than the 9 DM a share for 1984. The company said the record pretax earnings were achieved despite a fall in Hoechst's profits in the United States. Revenues were also influenced by a 20-percent drop in the dollar at the date of conversion into Deutsche marks for year-end accounting.

Hoechst said overseas output rose 4.3 percent to 17.34 billion DM worth of goods last year. Although pretax profit fell sharply in the fourth quarter of 1985, they were slightly above average 1984 prices for interest and loss reserves.

The growth in business evident in the fourth quarter of 1985 continued in the first months of this year, Hoechst said. Export earnings were lower because of the sharp fall of the dollar, but domestic demand was strong.

Hoechst said results for 1985 were helped by lower charges from interest and loss reserves.

The company said parent company investment in fixed assets rose 10.4 percent in 1985 to 831 million DM. Investment in other companies rose to 294 million DM from 129 million DM in 1984.

BHP Takes Action in Court To Thwart Bell's New Offer

MELBOURNE — Broken Hill Pty., the major Australian oil and steel concern, took legal action Wednesday in the Victorian Supreme court to block Bell Resources Ltd.'s latest 1-billion-dollar (\$1.62 billion) takeover offer for the company.

On the court will hear BHP's allegation that Bell's takeover documents, registered with the corporate authorities on Monday, contain false and misleading material and are legally void.

BHP is seeking permanent injunctions to restrain Bell from sending its fourth offer for BHP to shareholders.

BHP's previous bid, which mixed cash and shares, was withdrawn last month by Robert Holmes à Court, Bell's chairman, after lengthy litigation brought by BHP challenging the validity of Bell's takeover documents.

COMPANY NOTES

Banco Nazionale del Lavoro of Italy said it had set up a merchant bank in conjunction with Ente Finanziario Interbancario and the National Credit Institute for Work Overseas, or ICLE. The new bank, Banca Nazionale di Partecipazioni, will acquire foreign listings for medium-size companies after buying minority stakes in them.

Broken Hill Pty., the large Australian mining concern, and Esso Australia Ltd., a unit of Exxon Corp., have found new gas reserves in the Bass Strait that are almost as large as the original discovery there, a government minister said. The companies declined to confirm or deny the claims on the significance of the discovery.

Chosen Inc. of Japan said it would produce 2,000 to 3,000 compact, high-speed laser beam printers a month in France beginning in 1987 through its Canon Breague SA unit.

Congli North Asia Ltd., a Japanese subsidiary of Congli Textiles of the United States, said it planned to start work on a 1.3-billion-yen (\$7.1-million) compound feed plant in mid-1986 in southern Japan.

Household International Inc., the U.S. consumer credit, transportation and manufacturing company, plans to significantly expand its consumer-banking operation this month by opening a consumer bank that will take lending and insurance services under one roof.

Isuzu Motor Co. said it would not pay a dividend for the first half of the fiscal year that ends Oct. 31. The company said it paid no dividend in 1983/84 or 1984/85, mainly because it had a 17.75-billion-yen (\$97-million) net loss.

Mitsui Bussan Kaisha Machinery Co. of Japan will build a polyester plant with the Heliopolis provincial government at Dargun, near China's largest oil field, the official Xinhua news agency said. The factory will make 60,000 tons of polyester fiber a year.

J.P. Morgan & Co. said it had applied to the U.S. Federal Reserve for permission to operate a unit to underwrite and deal in commercial paper. A court decision pending judgment overturned an earlier decision giving Bankers Trust the authority to do in a place commercial paper.

Pulitzer Publishing Co. shareholders received a new offer of \$625 million for their stock from A. Alfred Taubman, the Detroit entrepreneur and real estate developer. He had offered \$500 million. The new bid, backed by family members that control 43 percent of Pulitzer stock, consists of \$450 million in cash and \$175 million in preferred stock.

Swiss Aluminums Australia Ltd. has been ordered investigated by the Australian government for the pricing and export of bauxite and alumina from the Gove joint venture, a government official said. He said exports from the Northern Territory mine had been priced at unreasonably low levels for several years, depriving Australia of export revenue.

Turner Broadcasting System Inc.'s owner, Ted Turner, has begun discussions with John Malone, president of Denver-based Tele-Communications Inc., the largest U.S. cable TV operator, on possible joint ventures to compete more effectively against the major commercial broadcast networks. Mr. Malone, whose company owns 3 percent of TBS, has been asked to join the TBS board of directors.

KLM Orders 6 Boeing 747s, Worth Total of \$725 Million

AMSTERDAM — KLM Royal Dutch Airlines has placed a \$725-million order with Boeing Corp. of the United States for six 747-400 aircraft, the latest version of the jumbo jet, a company spokesman said Wednesday.

The planes, which have an advanced technology flight deck, extended range and a stretched upper deck, will be delivered in 1988-1990 and will replace the six oldest jumbos in KLM's fleet, 18-year 747-100s. KLM said it was still discussing the type of engine.

The spokesman said the airline was given favorable terms for the purchase from Boeing because it was the first in Europe to order the 425-ton 747-400, but he gave no details.

KLM, among the most consistently profitable major airlines, already uses 11 new contracts on order, including one Boeing 747-300. The spokesman said further orders to expand the jumbo fleet were possible.

Two weeks ago the airline raised about \$300 million in an issue of 15 million ordinary shares. The sale effectively cut the government's holding in KLM from about 55 percent to 39 percent.

EC Lists Restrictions It Plans If U.S. Retaliates on Trade

(Continued from Page 1)

Smith and EC officials, high-ranking American and community officials will have another opportunity to discuss the dispute at a meeting in Paris on April 17 and 18 of the Organization for Economic Cooperation and Development.

Neither set of talks, however, is likely to involve substantive negotiations on the dispute, EC and U.S. officials said.

The community, which wants the issue discussed in the context of the General Agreement on Tariffs and Trade, maintains that the United States will eventually benefit from EC enlargement because of the

lower tariffs the EC requires Spain to place on industrial imports.

The United States argues that the GATT process is too slow and that the United States deserves immediate compensation for the EC measures. U.S. officials have said they would like the EC-U.S. talks to take place outside of GATT.

The U.S. position was reaffirmed in recent days in a letter from Secretary of State George P. Shultz to the commission's president, Jacques Delors. U.S. officials said that reply was in response to a letter from Mr. Delors to Mr. Shultz appealing for GATT negotiations on the dispute, they said.

Belgian Base Rate Cut by Half-Point

BRUSSELS — The Belgian National Bank cut its key base lending rate by half a percentage point on Wednesday for the second time since Sunday's adjustment of currencies inside the European Monetary Union.

The move, which takes the bank rate to 8 1/2 percent from 9 percent, bore out predictions by local economists that lower interest rates would follow the realignment in EMS exchange rates. Belgium agreed to push up its currency by 4 percent against the French franc inside the joint float, although it was allowed to fall by 2 percent against the Deutsche mark.

Economists said the latest move by Belgium shows that the government is counting on a strong national economy

SKF Plans Steel Merger With Ovako

STOCKHOLM — SKF AB has announced plans to merge its steel subsidiary with Finnish special-steel maker Ovako AB, but immediately drew opposition from Sweden's government-owned steel company, Svaenst Stal AB.

Svaenst Stal, which itself had planned a link up with SKF, asked the Swedish government on Wednesday to veto the proposed merger, a company spokesman said.

SKF, the world's largest ball-bearing maker, considers the two companies its main private rivals in the Nordic region.

A Svaenst Stal spokesman said, "This deal is not industrially sound."

He said Svaenst Stal's president, Harry Lundberg, had asked Industry Minister Thage Persson to block the merger.

Svaenst Stal said that U.S. pressure to cut its exports to the American market, said it would be more economical for SKF to use steel ingots from the government-owned company's mill in northern Sweden than to cooperate with the

J&J Taking Big Charge And Selling 2 Businesses

NEW BRUNSWICK, New Jersey — Johnson & Johnson said Wednesday that it will sell two medical-imaging businesses to General Electric Co. and take a \$450-million charge against first-quarter earnings, leading to a loss.

The charge will be in addition to a \$100-million charge already announced, related to a decision to withdraw over-the-counter capital because the company cannot control tampering.

The two charges will result in a first-quarter loss, the company said. In last year's first quarter, the company earned \$171.3 million.

Johnson & Johnson also said it intends to repurchase up to 10 million of its 122.7 million common shares outstanding.

Johnson's chairman, James E. Burke, said the company has agreed in principle to sell Technicare and Johnson & Johnson Ultrasonix to General Electric for an undisclosed price.

Technicare sells nuclear-medicine equipment, X-ray scanners and magnetic-resonance imagers. J&J Ultrasonix sells ultrasound equipment and supplies.

GE will continue to sell and service all J&J diagnostic imaging products and will assume all service contracts, both companies said. Johnson & Johnson said the

\$450-million pretax charge against earnings will amount to \$250 million after taxes.

It consists of a one-time \$230-million charge for the write-down and sale of the imaging businesses and a \$20-million charge for write-downs and write-offs of other assets no longer considered profitable.

"We reviewed all of our investments in the broad range of growth opportunities available to us and decided to eliminate some of those where we had overestimated our ability to establish a leadership position in a reasonable period of time," Mr. Burke said.

"At the same time, we are increasing our investment in research and development in our consumer, professional and pharmaceutical franchises, where we see opportunities for above-average return over the long term."

The two imaging businesses accounted for about \$275 million in sales in 1985, or about 4 percent of the company's total. Johnson & Johnson said the effect of the sale on earnings in future quarters would be positive.

J&J also said it and General Electric will cooperate in a program to develop biologically based image-enhancing agents.

Finnish Firm Reports Big Loss on Oil

HELSINKI — A decision to build up stocks of Soviet crude oil last winter has so far cost the Finnish state oil company Neste OY 2 billion markkas (\$375 million) because of falling oil prices, the company's head said Wednesday.

Jaskko Hamonila, the managing director, was quoted as saying that the company had paid \$26.5 to \$28 a barrel to build up stocks of 5 million metric tons (5.3 short tons) of oil at the start of last winter. Crude prices are currently around \$19 a barrel.

Neste buys most of its crude from the Soviet Union, and Finland last year imported seven million metric tons of Soviet oil. Under the latest price reduction negotiated in March, Neste pays Moscow around \$16 a barrel.

The price drop came at the worst possible time as far as we are concerned," Mr. Hamonila said.

He did not give details of how the losses were calculated.

A company spokesman confirmed the figures, saying that Neste had been forced to sell at a loss. But she said that this was not causing any major financial problems.

All of these securities have been sold. This announcement appears as a matter of record only.

March, 1986

L. F. ROTHSCHILD, INTERBERG, TOWBIN HOLDINGS, INC.

7,676,325 Shares

Common Stock

L. F. ROTHSCHILD, INTERBERG, TOWBIN, INC.

SALOMON BROTHERS INC.

SHARON LEHMAN BROTHERS INC.

| | | | |
|--|---|----------------------------------|------------------------------------|
| BEAR, STEARNS & CO. INC. | THE FIRST BOSTON CORPORATION | ALEX. BROWN & SONS | DILLON, READ & CO. INC. |
| DONALDSON, LUFKIN & JENRETTE | DREXEL BURNHAM LAMBERT | | GOLDMAN, SACHS & CO. |
| HAMBRECHT & QUIST | E. F. HUTTON & COMPANY INC. | KIDDER, PEABODY & CO. | LAZARD FRERES & CO. |
| MERRILL LYNCH CAPITAL MARKETS | MONTGOMERY SECURITIES | MORGAN STANLEY & CO. | PAINEWEBBER |
| PRUDENTIAL-BACHE | ROBERTSON, COLMAN & STEPHENS | SMITH BARNEY, HARRIS UPHAM & CO. | |
| S. G. WARBURG, ROWE & PITMAN, AKROYD INC. | WERTHEIM & CO., INC. | DEAN WITTER REYNOLDS INC. | |
| ALLEN & COMPANY | WILLIAM BLAIR & COMPANY | EBERSTADT FLEMING INC. | A. G. EDWARDS & SONS, INC. |
| LADENBURG, THALMANN & CO. INC. | OPPENHEIMER & CO., INC. | PIPER, JAFFRAY & HOPWOOD | ROTHSCHILD INC. |
| SWISS BANK CORPORATION INTERNATIONAL | TUCKER, ANTHONY & R. L. DAY, INC. | | UBS SECURITIES INC. |
| ABD SECURITIES CORPORATION | ARNHOLD AND S. BLEICHROEDER, INC. | | CAZENOVE INC. |
| DAWA SECURITIES AMERICA INC. | EUROPARTNERS SECURITIES CORPORATION | HOARE GOVETT LIMITED | KLEINWORT, BENSON |
| THE NIKKO SECURITIES CO. | NOMURA SECURITIES INTERNATIONAL, INC. | | SOGEN SECURITIES |
| WOOD GUNDY CORP. | YAMAICHI INTERNATIONAL (AMERICA), INC. | | HAMERSHLAG, KEMPNER & CO. |
| NIPPON KANGYO KAKUMARU INTERNATIONAL, INC. | | | SANYO SECURITIES AMERICA INC. |
| ALGEMENE BANK NEDERLAND N.V. | ARRAL & PARTNERS LIMITED | BANCA del GOTTARDO | BANCA DELLA SVIZZERA ITALIANA |
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April 9



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| Month | High | Low | Stock | Div. | Yld. | PE | 52 Wk. High | Low | Quart. Chng. | Yr. Chng. |
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| 4th | 25 1/2 | 17 1/4 | WaltHdB | AO | 2.7 | 15 | 24 1/2 | 4 1/2 | 4 1/2 | + 1/2 |
| 5th | 25 1/2 | 17 1/4 | WaltHdB | | | | 24 1/2 | 4 1/2 | 4 1/2 | + 1/2 |
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| 7th | 25 1/2 | 17 1/4 | WaltHdB | | | | 24 1/2 | 4 1/2 | 4 1/2 | + 1/2 |
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| 12th | 25 1/2 | 17 1/4 | WaltHdB | | | | 24 1/2 | 4 1/2 | 4 1/2 | + 1/2 |
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| 2nd | 25 1/2 | 17 1/4 | WaltHdB | | | | 24 1/2 | 4 1/2 | 4 1/2 | + 1/2 |
| 3rd | 25 1/2 | 17 1/4 | WaltHdB | | | | 24 1/2 | 4 1/2 | 4 1/2 | + 1/2 |
| 4th | 25 1/2 | 17 1/4 | WaltHdB | | | | 24 1/2 | 4 1/2 | 4 1/2 | + 1/2 |
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BUSINESS PEOPLE

Butler Named Adviser to Daiwa Securities in U.S.

NEW YORK—Owen B. Butler, who retired last month as chairman of Procter & Gamble, has been named a senior adviser to Daiwa Securities America.

Takuro Isoda, Daiwa America's chairman, said that Mr. Butler would consult with Daiwa executives on developing a long-term strategy for the firm in its growing U.S. operations.

Mr. Butler, who worked with Procter & Gamble for more than 30 years, is also a director of Amgen Inc., Hospital Corp. of America and Northern Telecom Ltd.

13-30 Corp., the magazine publishing company that runs *Esquire* magazine, said the two leaders of the group, Chris Whitte, 38, and Phillip Moffitt, 39, are to separate as business partners.

Mr. Whitte will become chief executive officer and a general partner of a new company, Whitte Communications. After the separation, Mr. Moffitt, who is editor-in-

chief of *Esquire*, will own more than 50 percent of the shares in *Esquire* Magazine Group. Both men will continue their association with Associated Newspapers Holdings of London Ltd., a British newspaper publishing company that has been their principal financial backer and owns equity in both the *Esquire* Group and 13-30.

Mr. Whitte and Mr. Moffitt are widely credited in the magazine industry with being the first to bring out magazines sponsored by a single advertiser. For example, John & John regularly underwrite an entire issue of a health-oriented magazine.

Owen B. Butler

Under the new plan, the money rate for the use of rail facilities will be set by the Federal Railroad Commission, rather than by the Interstate Commerce Commission, which has been the standard for railway expansion and workers' living standards.

London's 'Big Bang' Ignites a Salary Explosion

(Continued from Page 7)

A 27-year-old trader described as charming but setting up new securities operations, driving to work in a Jaguar at 7 A.M. He is an apple at his desk for lunch between hectic telephone transactions.

While Mrs. Thatcher said she understood the resentment many people feel toward such earnings, she also has her own annual salary of £36,900—calls for the imposition of a special government tax have gone unheeded. In 1983, the most recent year for which information was available, per-capita

income in Britain was about \$11,900.

The Observer newspaper predicted in a banner headline that the chancellor of the exchequer, Nigel Lawson, would "punish" the new golden boys when he released details of his budget on March 18. But he made no reference to the gains.

A few days later, Robin Leigh-Pemberton, governor of the Bank of England, stoutly defended the earnings.

"I am understood to be distressed for someone who is unemployed to read of these high City wages offered to talented young people at a time of great pressure and competition," he said.

He added, however, that their specialized jobs entitled them to premium wages. "In addition, there is a shortage of career which is comparable with pop stars and athletes," he said, referring to the extreme pressures involved in making split-second decisions worth millions of dollars.

The Economist criticized City

perks such as generous pensions and company cars, which are not as readily provided on Wall Street and which are given independent of job performance. But it also supported the earnings increases.

"Bribees who take out at high City salaries would do better to ask whether finance is the one area of the British economy that is generally competitive internationally," the magazine said.

Analysts believe that the high earnings will peak this fall once deregulation is completed.

"What is happening in the City of London is unique and will not be sustained," said Richard Hughes, of the brokerage firm of Zoot & Zoot.

Traders will have to justify what they earn in the more competitive environment. Mr. Leigh-Pemberton may have been trying to console Britain's less fortunate when he observed that "some salaries may come down" and that some of the young "highfliers" may even be laid off.

'Indexing' Attracting Institutions

(Continued from Page 7)

maintaining a proprietary data base monitoring the performance and investment styles of more than 500 money managers who tend nearly \$750 billion in assets.

During the five years ended with 1985, value managers outperformed the two broad categories of growth-oriented managers, said Seamon A. Lincoln, director of investment services at Hansen.

Portfolios run by value managers, he said, had an annualized total return—market appreciation plus dividends reinvested—of 13.2 percent. The large-capitalization growth-stock style of investing produced a return of 17 percent during the five years, he said. "The fact here is that growth may be more predictable in the larger companies than for smaller-capitalized growth companies."

A third investment style, "aggressive growth," was companies with higher price-earnings multiples, little or no dividend yield and expectations for high profit growth. In the same five-year period, aggressive growth managers showed a return of 14.9 percent.

All three styles managed to produce a return superior to that of Standard & Poor's 500-stock index. This broad measure of the market had an annualized total return of 14.6 percent.

The data suggest that the best approach for pension plan sponsors is to diversify and hire managers across a spectrum of multiple investment styles," Mr. Lincoln said.

Lloyds Will Continue Standard Chartered Bid

(Continued from Page 7)

LONDON—Lloyds Bank PLC said Wednesday that it was maintaining its £1.5-billion bid for Standard Chartered Bank PLC, despite rejection by all Standard's directors.

The offer of 750 pence per share, whereas the share price was slightly higher than 600 pence at the time of the bid, was the offer was fair and reasonable.

CURRENCY MARKETS

Dollar Slips in European Trading

(Continued from Page 7)

LONDON—The dollar edged lower in European trading as uncertainty over what currency initiatives might result from a series of international monetary conferences under way this week.

In London, the dollar closed at 2.3363 Deutsche marks, down from 2.3380 DM at Tuesday's close, and at 179.92 yen, from 180.05 yen.

Trading was also nervous in Tokyo, where the dollar lost nearly 3 yen to close at 179.45 yen from 182.4 yen Tuesday.

The day's big news in Europe was a sharp fall in sterling against the mark. Traders said the market was unsettled by speculation that Britain would soon join the European Monetary System.

In London, the pound ended at \$1.465, slightly lower than Tuesday's \$1.4683. It also lost 3.45 pence to 3.4575 Deutsche marks from 3.4575 DM Tuesday, and to 10.8573 French francs from 10.8573 francs.

Dealers said sterling was weakened by a combination of EMS

London Dollar Rates

| Currency | Rate | Change |
|----------------|---------|---------|
| Deutsche mark | 2.3363 | -0.0017 |
| Swiss franc | 1.4650 | -0.0033 |
| French franc | 10.8573 | -0.0000 |
| Italian lire | 1,936 | -0.0000 |
| Japanese yen | 179.92 | -0.13 |
| Spanish peseta | 166.64 | -0.0000 |

Source: Reuters

speculation, further erosion of crude oil prices and Treasury's half-point cut by major British banks in these leading rates. One dealer said many corporate customers on the Continent were looking at technical models that showed the pound was overbought against European currencies.

Widespread rumors in London markets the government was preparing to join the EMS, perhaps as early as next week, had no official corroboration.

Official sources said government policy remains that, although the arguments against EMS membership are weaker than before, the time is still not right.

Dealers said the dollar derived

some support Wednesday from a series of statements by top Group of Five officials meeting in Washington that played down the likelihood of a new initiative to bring the dollar down further.

Reports that the Bundesbank president, Karl Otto Pöhl, said he saw no need to lower the dollar against major currencies served to underlie confidence Tuesday.

The Fed chairman, Paul A. Volcker, said no such move was discussed. Dealers said they expected the dollar to consolidate around current levels for the rest of this week although any concrete news from Washington could determine a new trend. They said nervousness about official exchange-rate policy persisted and no large positions were likely to be taken for now.

In other European trading, the dollar was fixed at 2.3264 DM in Frankfurt, from 2.346 DM on Tuesday, and at 7.4155 French francs in Paris from 7.4855 francs. In Zurich, it closed at 1.9575 Swiss francs, down from 1.9700 francs Tuesday.

(Reuters, IHT)

THE EUROMARKETS

Prices Stay Firm on Interest-Rate Cut Hopes

By Christopher Pizze

Review

LONDON—Secondary-market prices in virtually all sectors of the Eurobond market moved sharply Wednesday as hopes grew that a further co-ordinated round of interest-rate cuts could occur shortly, dealers said.

The dollar-straight sector saw gains of 1/8 to a full point while the Australian dollar, European currency unit and yen sectors also advanced, they added.

The chances of cuts in interest rates by both the U.S. and Japan have got to be very high," one trader on a U.S. firm said. He added that the primary market was also busy, with borrowers again opting for a wide variety of currencies, dealers said. The largest issue was a \$250-million floating-rate note for

Midland Bank PLC lead-managed by Samuel Montagu & Co.

The 15-year issue, priced at 100.10, was initially for £200 million but was quickly raised. It pays 10 basis points over the three-month London interbank offered rate and was quoted on the when-issued market inside the 23-basis-point mark at 99.89 bid.

In dollar straight, the \$100-million issue had been launched by the end of usual trading, the first issue for Yokohama Asia Ltd. while the second was for Swedish Export Credit.

The issue for Yokohama Asia was guaranteed by the Bank of Yokohama and paid 7 1/8 percent over five years. Priced at 101.05, it was quoted on the when-issued market within the 16-percent fence at a discount of 1 1/8/16. Bankers Trust International was the lead manager.

Swedish Export Credit's bond

has a 7 1/8 percent coupon and seven-year maturity. It was priced at 100 1/8 percent and lead-managed by LTCB International Ltd. On the when-issued market it was quoted at a discount of 1 13/16 against the total fees of 1 1/8 percent.

One broker commented, "We've seen reasonably good demand for both issues. They're going quite nicely."

Seated yen issues generally rose by 1/8 to 1/4 point, but selected bonds were even firmer with some large retail orders noted in early trading, dealers said. The 18-basis-point saw one new issue, an 18-basis-point bond for Minnesota Mining & Manufacturing Co.

It pays 5 1/2 percent over five years and was priced at 101 1/16, it ended outside the total fees of 1 1/8/16. Finance International was lead manager.

Wednesday's OTC Prices

Via The Associated Press

| Symbol | Price | Change |
|--------|-------|--------|
| ABC | 14.75 | +0.25 |
| DEF | 10.50 | -0.10 |
| GHI | 12.25 | +0.15 |
| JKL | 15.00 | -0.20 |
| MNO | 11.75 | +0.05 |
| PQR | 13.50 | -0.15 |
| STU | 16.25 | +0.30 |
| VWX | 14.00 | -0.05 |
| YZA | 12.75 | +0.10 |
| BCD | 10.25 | -0.15 |
| EFG | 11.50 | +0.05 |
| HIJ | 13.25 | -0.10 |
| KLM | 15.75 | +0.20 |
| NOP | 12.50 | -0.05 |
| QRS | 14.25 | +0.15 |
| TUV | 16.75 | -0.25 |
| WXY | 13.75 | +0.10 |
| XZA | 11.25 | -0.05 |
| YAB | 12.75 | +0.15 |
| ZAC | 14.75 | -0.10 |
| ABD | 16.25 | +0.20 |
| BCE | 13.25 | -0.15 |
| CDG | 15.25 | +0.10 |
| DEH | 17.25 | -0.20 |
| EFG | 14.25 | +0.15 |
| FGH | 16.25 | -0.10 |
| GHI | 18.25 | +0.25 |
| HJK | 15.25 | -0.15 |
| IKL | 17.25 | +0.10 |
| JLM | 19.25 | -0.20 |
| KMN | 16.25 | +0.15 |
| LNO | 18.25 | -0.10 |
| MOP | 20.25 | +0.25 |
| NQR | 17.25 | -0.15 |
| ORS | 19.25 | +0.10 |
| PST | 21.25 | -0.20 |
| QTV | 18.25 | +0.15 |
| RUV | 20.25 | -0.10 |
| STW | 22.25 | +0.25 |
| TUX | 19.25 | -0.15 |
| UVY | 21.25 | +0.10 |
| VWX | 23.25 | -0.20 |
| WYZ | 20.25 | +0.15 |
| XYZ | 22.25 | -0.10 |

| Symbol | Price | Change | Symbol | Price | Change | Symbol | Price | Change | Symbol | Price | Change |
|--------|-------|--------|--------|-------|--------|--------|-------|--------|--------|-------|--------|
| ABC | 14.75 | +0.25 | DEF | 10.50 | -0.10 | GHI | 12.25 | +0.15 | JKL | 15.00 | -0.20 |
| MNO | 11.75 | +0.05 | PQR | 13.50 | -0.15 | STU | 16.25 | +0.30 | VWX | 14.00 | -0.05 |
| YZA | 12.75 | +0.10 | BCD | 10.25 | -0.15 | EFG | 11.50 | +0.05 | HIJ | 13.25 | -0.10 |
| KLM | 15.75 | +0.20 | NOP | 12.50 | -0.05 | QRS | 14.25 | +0.15 | TUV | 16.75 | -0.25 |
| WXY | 13.75 | +0.10 | XZA | 11.25 | -0.05 | YAB | 12.75 | +0.15 | ZAC | 14.75 | -0.10 |
| ABD | 16.25 | +0.20 | BCE | 13.25 | -0.15 | CDG | 15.25 | +0.10 | DEH | 17.25 | -0.20 |
| EFG | 14.25 | +0.15 | FGH | 16.25 | -0.10 | GHI | 18.25 | +0.25 | HJK | 15.25 | -0.15 |
| IKL | 17.25 | +0.10 | JLM | 19.25 | -0.20 | KMN | 16.25 | +0.15 | LNO | 18.25 | -0.10 |
| MOP | 20.25 | +0.25 | NQR | 17.25 | -0.15 | ORS | 19.25 | +0.10 | PST | 21.25 | -0.20 |
| QTV | 18.25 | +0.15 | RUV | 20.25 | -0.10 | STW | 22.25 | +0.25 | TUX | 19.25 | -0.15 |
| UVY | 21.25 | +0.10 | VWX | 23.25 | -0.20 | WYZ | 20.25 | +0.15 | XYZ | 22.25 | -0.10 |

